On page 3, line 24, please replace "hematopoletic" with --hematopoietic--

On page 10, line 2, please replace "deficient." with --deficient,--

On page 18, line 4, please replace "identified .." with --identified.--

On page 31, line 10, please replace "(MB72; " with --(MB72).--

On page 37, line 23, please add a period after "below".

On page 22, line 18, please delete "incorporated here by reference" Please add

--"Homology" refers to sequence similarity between two peptides or between two nucleic acid molecules. Homology can be determined by comparing a position in each sequence which may be aligned for purposes of comparison. When a position in the compared sequence is occupied by the same base or amino acid, then the molecules are homologous at that position. A degree of homology between sequences is a function of the number of matching or homologous positions shared by the sequences. An "unrelated" or "non-homologous" sequence shares less than 40 percent identity, though preferably less than 25 percent identity with one of the vertebrate hh sequences of the present invention.

Homologs of one of the subject *hedgehog* proteins can be generated by mutagenesis such as by discrete point mutation(s) or by truncation. For instance, mutation can give rise to homologs which retain substantially the same, or merely a subset, of the biological activity of the *hh* polypeptide from which it is derived. Alternatively, antagonistic forms of the protein can be generated which are able to inhibit the function of the naturally occurring form of the protein, such as by competitively binding to the *hh* receptor.

Peptides referred to herein as having an activity of a vertebrate hh protein are defined as peptides that have an amino acid sequence corresponding to all or a portion of the aminoacid sequences of a vertebrate hh protein which have at least one biological activity of a vertebrate hh protein.--

On page 22, line 19, please delete " incorporated by reference"

With respect to sequence identification, please add the following:

On page 32, line 18, please add --SEQ ID No: 1 -- after "gene)"

On page 32, line 19, please add --SEQ ID No: 2-- after "170 of LacZ)"

On page 39, line 14, please add --SEQ ID No. 3-- after " 32 cycles"

On page 39, line 15, please add --SEQ ID No. 4-- after "3'"

On page 39, line 17, please add --SEQ ID No. 5-- after "34 cycles"

On page 39, line 18, please add --SEQ ID No. 6-- after "-3'"

On page 39, line 20, please add --SEQ ID No. 7-- after "34 cycles"

On page 39, line 21, please add --SEQ ID No. 8-- after "-3'"

On page 39, line 23, please add --SEQ ID No. 9-- after "32 cycles"

On page 39, line 24, please add --SEQ ID No. 10-- after "-3'"

On page 39, line 26, please add --SEQ ID No. 11-- after "32 cycles"

On page 39, line 27, please add --SEQ ID No. 12-- after "-3'"

On page 39, line 29, please add --SEQ ID No. 13-- after "32 cycles"

On page 39, line 30, please add --SEQ ID No. 14-- after "-3'"

On page 39, line 32, please add --SEQ ID No. 15-- after "32 cycles"

On page 39, line 33, please add --SEQ ID No. 16-- after "-3'"

On page 41, line 25, please add --SEQ ID No. 17-- after "-3'"

On page 41, line 27, please add --SEQ ID No. 18-- after "-3'"

On page 41, line 29, please add --SEQ ID No. 19-- after "spe1 site)"

On page 41, line 30, please add --SEQ ID No. 20-- after "Kpn1 site)"

On page 42, line 1, please add --SEQ ID No. 21-- after "Spe1 site)"

On page 42, line 2, please add --SEQ ID No. 22-- after "Kpn1 site)"

On page 49, line 1, please add --SEQ ID No. 23-- after "sequence)"

On page 49, line 3, please add --SEQ ID No. 24-- after "sequence)"

On page 49, line 5, please add --SEQ ID No. 25-- after "sequence)"

On page 49, line 7, please add --SEQ ID No. 26-- after "sequence)"

In the Drawings:

On page 6, line 7, please delete "(a)" and replace with --(A)--.

On page 6, line 16, please delete "(b)" and "(c)" and replace with --B-- and –C-- respectively.

On page 6, line 17, please delete "(d)" and replace with --D-- and replace "(a) -(d)" with A-D